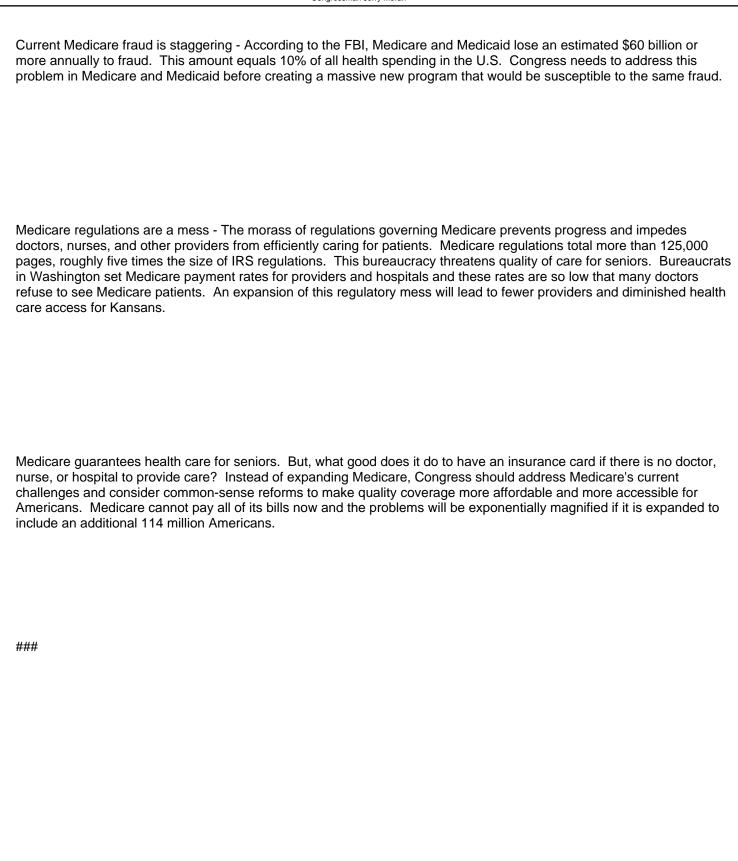
September 2009 - A Medicare-Type Public Option Does Not Make Sense

A MEDICARE-TYPE PUBLIC OPTION DOES NOT MAKE SENSE
By Congressman Jerry Moran
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Earlier this week, I read in a Kansas newspaper the suggestion of a simple way to address health care reform - just expand Medicare, the nation's federal insurance program that pays for health care for seniors, to cover more people as the "public option." This idea is supported by some in Washington and, at first glance, may appear appealing to many. Certainly, this idea seems easier to understand than other proposals that are being pushed in our nation's capital and in the media. Certain Democrat leaders would like the public option to function like an expanded Medicare program. However, there are major flaws with this proposal and I do not see how this plan will protect and enhance care for Kansans.
Medicare is going bankrupt - The Medicare trust fund that pays for inpatient hospital stays is currently paying out more in benefits than it is collecting through payroll taxes. As a result, this fund is expected to go bankrupt in 2017, just eight years from now. Additionally, Medicare faces overall shortfalls of nearly \$38 trillion, nearly three times current GDP levels. Government projections also indicate that by 2040, our country's major entitlement programs - Medicare, Social Security, and Medicaid - will consume the entirety of today's budget.
Providers suffer major losses treating Medicare patients - Kansas health care providers and hospitals operate on razorthin margins because they are drastically underpaid by Medicare. When Medicare underpays doctors and hospitals, the cost is shifted to private insurers. The average family in a private PPO health plan pays an additional \$1,788 a year to compensate for Medicare underpayments. If these rates were expanded to those who currently have private insurance, many Kansas hospitals would be forced to close their doors and access to doctors and nurses in the state would be further limited.

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